

PLJFF

**DEPARTMENT OF HEALTH & HUMAN SERVICES**  
**Health Care Financing Administration**

7500 Security Boulevard  
Baltimore, MD 21244-1850

June 2, 1999

Mr. Greg Vadner  
Director  
Missouri Department of Social Services  
Division of Medical Services  
P.O. Box 6500  
Jefferson City, Missouri 65102-6503

Dear Mr. Vadner:

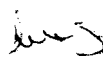
This is in response to your May 18 and May 25 letters concerning the increase in premiums for a specific group of Medicaid beneficiaries in your Section 1115 Medicaid demonstration project entitled, MC+. Your letters advise that effective July 1, the monthly premium for children with income between 226 percent and 300 percent of the Federal Poverty Level (FPL) will increase from \$65 to \$68. This action is mandated by Missouri statute because the premium level for the Missouri Consolidated Health Care Plan (MCHCP) is increasing and the premium level for those in MC+ is calculated to be 133 percent of the MCHCP premium.

On January 11, we granted you a waiver of Section 1916(a)(1) "To enable the State to charge premiums up to \$65 for those children below age 19 with family incomes between 226 and 300 percent of the FPL." Because the waiver we granted you was only for premiums up to \$65, we must ask that you submit a waiver modification request to allow the premiums to increase to \$68. Also, because State statute does not determine or supersede Federal statutes and regulations, we are not able to allow a waiver which would categorically tie the premium amount for the waiver population to the premium amount for the non-waiver population in the Missouri Consolidated Health Care Plan.

We understand that notification of this increase has already been sent to the affected beneficiaries. We ask that you not collect the increased premium until such time as the waiver modification has been approved in order that you remain in compliance with the waiver. We understand that you would like to implement this change on July 1 and will work with you toward this goal.

Please call me at (410) 786-0707 if you have any questions.

Sincerely,  
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/s/   
Nancy Goetschius  
Project Officer

cc: J Flynn, KCRO

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